Losses in Paper Industries

*436. DR. SATYANARAYAN JATIA : Will the Minister of INDUSTRY be pleased to state :

(a) the details of the total loss suffered by the public sector paper manufacturing industries in the country particularly situated in Assam and Madhya Pradesh;

(b) the reasons for incurring losses; and

(c) the steps taken by the Government for remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) *Detials of losses* :

There is only one Central Public Sector Undertaking-Hindustan Paper Corporation Ltd. (HPC)-engaged in the production of paper, in four of its mills. The names, locations and losses incurred upto 31.3.1996 in respect of these mills are given below :

	Name	Location	Loss (as on 31.3.96 Rs. in crores)
1.	Nagaon Paper Mills Cachar Paper Mills	Assam	785.81
2.	Nagaland Pulp & Paper Company Limited.	Nagaland	178.09
3.	Mandya National Paper Mills Limited	Karnataka	175.17

(b) *Reasons for Losses* :

Nagaon and Cachar Paper Mills : Locational disadvantages, lack of infrastructural facilities and high interest burden due to cost over run etc. have let to loss although operating profits have increased in the past. Loss in 1995-96 came down substantially from the previous year and the capacity utilisation is increasing.

Nagaland Pulp and Paper Company Limited : Lack of infrastructural facilities, lack of power, poor organisation of raw materials, unsatisfactory performance of boilers and lack of work culture. Production remains suspended since Oct., 1992.

Mandya National Paper Mills Limited : Low capacity utilisation, operational difficulties, excess manpower and shortage of raw material i.e. bagasse. Production remains suspended since April, 1993.

(c) *Steps taken by Government* :

Nagaon and Cachar Paper Mills : A proposal for financial restructuring of Hindustan Paper Corpn. (Nagaon and Cachar Paper Mills) have been approved by Govt. Action has been taken by H.P.C. to improve efficiency in the area of pulp mill, recovery section and paper machine and to increase the capacity utilisation.

Nagaland Pulp and Paper Company Limited : Government has decided to revive the mill by financial restructuring and additional capital investment.

Mandya National Paper Mills : The Company was referred to BIFR and BIFR ordered winding up. Government has, however, decided to re-start the operations of the mill and privaties it as a going concern. An appeal has been filed in AAIFR.

Board of Trade Meeting on Decline in Exports

*437. SHRI SULTAN SALAHUDDIN OWAISI : Will the Minister of COMMERCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem in 'Hindustan Times' dated October 10, 1996 under caption 'Board of Trade to discuss slide in growth of exports';

(b) if so, the main reasons for slide in growth of exports; and

(c) the decisions taken and the steps being taken to meet the growth of exports by the Board of Trade?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH) : (a) to (c). Yes Sir. The recent decline in the rate of export growth is mainly on account of deceleration in the rate global export growth in the current year from 8% in 1995 to an estimated 5% in the first half of 1996, high rate of interest charged by the banks, non-availability of export credit and infrastructure constraints.

As a measure of boostng exports, the Board of Trade recommended that the effects of the Busy Season Credit Policy of RBI be reflected in pratice, particularly with reference to speedy delivery and lowering the cost of credit, Foreign Direct Investment be given whole-hearted encouragement of support, anamolies in the duty structure of certain sunrise industries like textile machinery and machine tools be quickly removed, and the imposition of MAT be reviewed.

Steps taken to improve export growth include :

(i) Operationalization of the Crucial Balancing Investment Scheme to improve infrastructure specifically related to export production.

(ii) Establishment of special growth centres and export promotion industrial parks to support State Governments efforts in export promotion.

(iii) Encouraging exports of agro products and value added products such as processed foods.

(iv) Regional bilateral initiatives have been taken such as operationalisation of SAPTA.

(v) Special thrust is being given to 43 countries of Latin American region by granting double weightage for exports to these countries for